

## MCC and Effective Donor Coordination: Maximizing Results in the Fight Against Global Poverty

The world's poor benefit greatly from the efforts of developing countries and donors to coordinate development assistance effectively. When donors coalesce behind country-owned programs to coordinate resources and share expertise, they maximize opportunities to promote economic growth and improve the lives of the poor in meaningful and sustainable ways.

Closely coordinating with other U.S. Government agencies, international donors, and development actors is critical to the success of Millennium Challenge Corporation (MCC) programs. It is recognized as a best practice in the effective and accountable delivery of international development assistance that maximizes results and impact. Such coordination:

- ★ saves time and money by avoiding costly duplication and unsuccessful approaches and by building on ongoing efforts,
- ★ minimizes transaction costs for partner countries, and
- ★ leverages MCC investments by enabling co-funding, complementary programs, and use of joint structures

MCC and partner countries integrate coordination into every step of program development and implementation. Partner countries inventory and describe the current and potential participation of each donor in achieving program objectives. They reach agreements to deepen donor coordination and harmonization as they develop and implement their grants. Malawi, for example, worked with MCC, the United Kingdom's Department for International Development, the World

### Examples of MCC Donor Coordination Include Collaboration With:

- USAID
- USTDA
- PEPFAR
- World Bank
- African Development Bank
- European Union
- Norway
- Denmark
- The Netherlands
- Asian Development Bank
- German Agency for Technical Cooperation
- Japan Fund for Poverty Reduction
- Nordic Development Fund

Bank, and the African Development Bank to produce a single growth diagnostic to meet a number of needs, including helping set priorities for its MCC compact proposal.

## Coordinating with other U.S. Government Agencies

Carefully coordinated government-wide solutions can deliver the best return on investment for American taxpayers. MCC identifies other U.S. Government agencies active in the country and sector in order to streamline efforts and build on progress. MCC's commitment to donor coordination starts at the very highest level of leadership. The Secretary of State, the Secretary of the Treasury, the U.S. Trade Representative, and the U.S. Agency for International Development Administrator, who serve on MCC's Board of

Directors, facilitate strong inter-agency information sharing and collaboration. Some of the many examples of government-wide coordination on MCC programs on the ground include:

*Careful coordination of U.S.  
Government assistance helps  
MCC better serve the U.S.  
taxpayer and its country partners*

The **U.S. Agency for International Development (USAID)** oversees implementation in almost all of MCC's 21 threshold programs. MCC benefits from USAID's technical expertise, field presence, and administrative infrastructure as USAID takes the lead on program development, procurement, and in-county oversight of programs. Five of these threshold programs have successfully concluded. Close cooperation with USAID also supports the success of MCC compacts. In Ghana, USAID is constructing homes for teachers who will work in schools that the MCC compact is rehabilitating or building. In Burkina Faso, USAID is implementing a second phase of school construction under the MCC compact, building on the successful threshold program's girl-friendly schools.

MCC coordinates with the **U.S. Trade and Development Agency (USTDA)** in multiple countries. In Ghana, USTDA is funding a master plan to modernize the port of Tema that will connect to MCC's upgrade of the National Highway. In Morocco, USTDA awarded a grant to the Ministry of Agriculture and Maritime Fishing to support an MCC project that includes cold storage facilities to reduce losses in palm date production. In El Salvador, USTDA grants complement MCC investments in the country's Northern Zone.

The coordination between **PEPFAR** (President's Emergency Plan for AIDS Relief) and MCC in Lesotho is helping the children of HIV-positive mothers live long and healthy lives. MCC's renovations to health centers complement PEPFAR's particular focus on the prevention of mother-to-child transmission of HIV. As more women deliver babies at these MCC renovated health facilities, PEPFAR can better track if mothers and babies are taking their HIV prophylaxis appropriately.

# Coordinating with International Donors and Development Agencies

In addition to working with U.S. Government agencies, MCC is committed to working with other donors and international institutions to leverage resources and expertise in alleviating global poverty and creating opportunities for long-term growth. To that end, MCC signed memoranda of understanding with the United Kingdom's Department for International Development, the Alliance for a Green Revolution in Africa, the Danish Ministry of Foreign Affairs, Agence Française de Développement, and the World Food Program to deepen cooperation in specific technical areas and achieve tangible results. This has already led to closer coordination on projects to bolster agricultural productivity, increase food security, and expand rural property rights. Additional examples of international donor coordination in MCC programs include:

- ★ In Tanzania, MCC is working within the government's five-year Transport Sector Investment Program alongside the **World Bank, the African Development Bank, the European Union, Norway, Denmark,** and the **Netherlands** to help Dar es Salaam develop a Roads Act that nearly doubles funding for road maintenance on the mainland.
- ★ In Mongolia, the Vocational Education Project builds on complementary investments funded by the **Asian Development Bank, the German Agency for Technical Cooperation, the Japan Fund for Poverty Reduction,** and the **Nordic Development Fund**. The prior work of these donors saved MCC time and money during the project design phase and will likely yield further benefits by allowing Mongolia to incorporate lessons learned into implementation.
- ★ In Mozambique, the compact's Water Supply and Sanitation Project builds on pioneering **World Bank** work started over a decade ago. MCC's approved investments in water and sanitation will benefit from \$40 million in complementary support through the World Bank's Water Services and Institutional Support Project and are attracting other donor investments into the sector as well.

In addition to fostering country-led donor coordination, MCC also rewards staff members who pursue this important principle. As an incentive for collaborative behavior, MCC launched an award in 2008 to recognize MCC employees who contribute meaningfully to making MCC's compact and threshold programs more effective through donor coordination.